GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3190
ANSWERED ON:17.12.2015
Power Purchase Agreement
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Will the Minister of POWER be pleased to state:

(a) whether the States have entered into a long term power purchase agreement with the power distribution companies and if so, the details thereof, State/UT-wise; and

(b) whether the consumers are facing the burden of higher electricity rates due to the said agreement and if so, the details thereof along with the steps proposed to be taken in this regard?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL AND NEW & RENEWABLE ENERGY

(SHRI PIYUSH GOYAL)

(a) & (b) : Various power utilities in India have entered into long term power purchase agreements with State generating companies, besides Central and private generating companies. The sale price of electricity from these stations varies and depends upon parameters like type of fuel, source of fuel, location of plants, size of the unit, technology of the plant and plant efficiency. As per information made available by Central Electricity Authority, the sale price of electricity from these stations for the year 2013-14 is as given in Annex.

The consumer tariff is determined by the respective State Electricity Regulatory Commissions (SERCs)/Joint Electricity Regulatory Commissions (JERCs) based on the principles enunciated under the Electricity Act, 2003 and policies framed thereunder. The tariff is decided by the SERCs/JERCs through public hearing of tariff petitions filed by the State Distribution utilities. The tariff of power purchased from the generating companies forms a major part of the consumer tariff. There is no provision for direct regulation of the electricity tariff by the Central Government.
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